

### 2005 results: A robust growth strategy followed by strongly improved financial performance

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**BRUSSELS, FEBRUARY 9, 2006** Today, Rezidor SAS Hospitality announced its results for 2005. The company generated group wide revenue of MEUR 587.0 as compared to MEUR 498.7 in 2004; an increase of 17.7%. Earnings Before Taxes (EBT) was MEUR 31.6 versus MEUR 4.2 in 2004. This result includes MEUR 6.2 in gain from the sale of shares of Radisson SAS Hotel, London Stansted Airport. The key driver of this healthy financial development is an 11% growth in the company's Revenue Per Available Room (RevPAR).

"Rezidor SAS is one of the fastest growing hospitality management companies in the world, offering a great portfolio of brands, as well as being a profitable business for our shareholders" said Kurt Ritter, President & CEO of Rezidor SAS Hospitality. In 2005, the group signed 29 new hotel contracts (15 Radisson SAS, 13 Park Inn and 1 Lifestyle) totalling almost 5,000 rooms. The company's strong business development strategy resulted in opening of 21 new Park Inns and 16 new Radisson SAS Hotels & Resorts across Europe and the Middle East. Dated end 2005, Rezidor SAS operates a portfolio of 263 hotels (out of which 46 properties are under construction) encompassing approximately 50,000 rooms in 48 countries. "One of our biggest assets is our growth strategy. We have grown by 16% this year in terms of number of rooms, which is the most significant organic growth in the industry in Europe", adds Kurt Ritter.

Financial highlights of the year 2005

- RevPAR reached 67 EUR, which is 6 EUR (11 %) better than last year.
- Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) for 2005 was MEUR 45.2 (18.8). The positive development versus 2004 is mainly due to comparable units increasing EBITDA by MEUR 20.0 versus last year.

"In year 2005, the European hotel market continued to develop favourably with a RevPAR increase of 4% to 5% on an average. With an 11% increase in RevPAR, Rezidor SAS has been able to capitalize on this growth by being present in the right markets at the right time", said Knut Kleiven, Deputy President & Chief Financial Officer of Rezidor SAS Hospitality.

An international company with Scandinavian roots, Rezidor SAS has a very strong presence in Scandinavia. With the Nordic capitals gaining strongest RevPAR this year, i.e. Copenhagen +19%, Oslo +13%, Stockholm +10% and Helsinki +9%, Rezidor SAS has benefited significantly from the market recovery in these regions. Continental Europe experienced a wide range of results with an average increase of 3% to 4%. Despite the terrorist attacks in London, the hotel market performed at 4% increase in RevPAR over the last year. The Middle East continue to perform at a mixed pace, while Russia and Eastern Europe have shown tremendous growth potential for revenue yield.

Expansion strategy

2005 was a significant year for Rezidor SAS Business Development. The market witnessed the openings of 37 new properties. The company also signed a worldwide license agreement with the Italian fashion house Missoni, to develop a lifestyle hotel brand of the same name: Hotel Missoni. The plan is to have 30 properties worldwide in 10 years.

Another vital deal in 2005 was the takeover of 9 Park Inns in the UK. These additions to the Park Inn brand will further strengthen the company's presence and brand awareness in the region. With its rapid growth, Park Inn has become a significant hotel brand in the mid market sector. Rezidor SAS plans to have a total of 100 Park Inn properties (opened and contracted) by end 2006.

Radisson SAS Hotels & Resorts, known for its innovative design and striking architecture, is now ranked the second largest brand in Europe. Rezidor SAS proudly announced the addition of some very exciting Radisson SAS properties that will set the milestones for the future generation of hotels:

The Radisson SAS in Frankfurt, with its uniquely shaped blue glass façade, has already seized numerous awards and recognitions. The attractive Radisson SAS Media Harbour, Düsseldorf is the place for 'people in the know' to be seen at. The charming Radisson SAS Style Hotel in Vienna has already made headlines for its sophisticated and elegant interior design. Dubai's vibrant Media City features the Radisson SAS Hotel as the first to open in the district. Another signature opening of the year was Radisson SAS Resort at Disneyland Paris as a perfect spot for a great family vacation or a large business gathering; the Radisson SAS EU Hotel, located right next to the European Parliament, offers a perfect setting for conducting EU-business; and the tallest building of Birmingham city also now hoists a Radisson SAS flag.

During the first quarter of 2005, the SAS Group, (parent company of Rezidor SAS Hospitality), concluded an agreement with U.S. based Carlson Hotels Worldwide. Under this agreement Carlson Hotels Worldwide acquired 25% in Rezidor SAS Hospitality in exchange for improved commercial terms in the parties' Master Franchise Agreement. The new agreement and terms provided Rezidor SAS with a cost reduction of MEUR 6.0 for the second half of 2005. The full year effect is estimated at MEUR 11.0 and will rise with increased operating revenue.

In 2006, the company will continue with its vigorous development strategy with an increased focus on developing Russia, CIS and East European markets while retaining a strong presence in the home markets. The company already operates 5 hotels in Russia and have recently signed two new deals in Moscow to develop the Radisson SAS brand. A newly build Park Inn will soon open its doors in Ekaterinburg, marking the entry of the company in the mid-market segment in this region.

Rezidor SAS Hospitality opened 15 new hotels across Europe and the Middle East from December 2005 to January 2006, and is well on track with its target of having 700+ hotels by 2015.